

CITY OF MUSKEGON
DOWNTOWN DEVELOPMENT AUTHORITY (DDA) /
BROWNFIELD REDEVELOPMENT AUTHORITY (BRA)
SPECIAL MEETING
MINUTES

October 30, 2018

Chairperson M. Bottomley called the meeting to order at 10:30 AM and roll was taken.

MEMBERS PRESENT: John Riegler, Frank Peterson, Ron Pesch, Martha Bottomley, Paul Edbrooke, Don Kalisz, Mike Kleaveland, Mike Johnson, Jay Wallace Jr, Heidi Sytsema

MEMBERS ABSENT: Jeanette Moore, excused

STAFF PRESENT: Mike Franzak, Planning Director; Sarah Petersen, Treasurer; Beth Lewis, Finance Director; Ken Grant; Diane Renkenberger, Administrative Assistant

OTHERS PRESENT: Larry Spataro, 1567 5th St.

MINUTES

A motion to approve the Special Meeting Minutes of October 8, 2018 was made by J. Riegler, supported by R. Pesch and unanimously approved.

NEW BUSINESS

Request to approve Resolution adding properties to the DDA – M. Franzak provided a list of properties that city staff was proposing to add to the DDA. Many of the properties were vacant lots, but lots in the downtown area were being sold and developed rapidly. F. Peterson explained the reasoning for including the selected properties in the DDA. A motion to approve the addition of the properties listed in Exhibit A to the Downtown Development Authority, was made by J. Riegler, supported by P. Edbrooke and unanimously approved.

Goal setting session – Board members and staff discussed the future direction of the board. L. Spataro was present to lend assistance in the goal setting and budget process. He had been a city commissioner at the DDA's inception and provided historical information on the DDA, its past activities and finances. DDA funds had historically been used to pay off bonds for the purchase of the Muskegon Mall and there had been no additional money available in the DDA budget until recently. He stated that the DDA members needed to determine how they wanted the board to be structured in order to come up with a budget. Some boards served in an advisory capacity to the city government while others operated autonomously, other than having their members appointed by the municipality. M. Bottomley stated that her suggestion was that this board fall somewhere in the middle. The DDA suddenly had funds in the budget and it was important to set goals before going forward. Board members voiced their concerns, including the loss of personnel and expertise from the DMN board, the possibility of managing downtown events, the Farmer's Market and the chalets with no previous experience in those areas, and the lack of expertise in managing a budget. L. Spataro stated that an important consideration for the budget would be what kind of staff the board needed, and if they would be handling only business

development, or if they would also be involved in events. F. Peterson stated that the DDA had been doing a great job of assisting projects in getting off the ground in the downtown, and staff would continue to support the board. L. Spataro suggested holding regular monthly meetings to allow staff to keep board members abreast of ongoing projects; board members agreed. It was decided that meetings would be held on the second Tuesday of each month at 10:30 AM. If there were no items to discuss, staff could cancel the meeting and board members would be notified. F. Peterson explained financial details and discussed budget information including estimated annual revenue. He stated that additional sources of income may include TIF and Brownfield revenue, and BID funds. Staffing needs were also discussed. L. Spataro suggested having staff that would be more dedicated to DDA business than what was currently in place. He pointed out that staff costs could take up a good portion of the budget so it was important to determine how involved the DDA wished to be. The possibility of sharing staff between the DDA and other city departments was discussed. L. Spataro stated that the DDA could also contract with an outside organization such as DMN. J. Wallace stated that he preferred to be conservative with DDA funds, and although it made sense to consolidate some functions, he also wanted to respect the organizations and personnel currently in place. D. Kalisz stated that was impressed with the strategic plan information provided by DMN and would like to see the DDA do something similar, defining the board's vision, mission, strategies, and priorities. D. Alexander of DMN stated that there were two sides to DDA responsibilities to consider: one was the "hard side" such as facilities and infrastructure, and the other was the "soft side" which included events, marketing, and social media activities. D. Alexander stated that if DMN ceased to exist, the soft side activities would as well.

L. Spataro suggested, per opinions expressed by board members, that the DDA stay connected with City Hall and utilize its staff support. The board would need to consider what they expected from staff and would need to include staff costs in the budget. Board members concurred that the DDA should pay for staff services, but were not sure what all staff did for them aside from being at the meetings. F. Peterson estimated that annual staff costs for the DDA would be around \$200,000. L. Spataro observed that there was consensus from board members about keeping the DDA with the City, having regular meeting dates, and having city staff keep the board up-to-date on projects. Staff and board members discussed hard vs soft projects and which ones the DDA wished to be involved with.

D. Alexander discussed the history of the Downtown Muskegon Now organization and its current responsibilities. Those included economic development, marketing and the promotion of downtown Muskegon. They also contracted with the BID (Business Improvement District) to accomplish their duties. He stated that the DMN board supported the consolidation of the 4 organizations currently involved with the downtown (the City/DDA, Downtown Muskegon Now, BID, and DMDC) and they understood that DMN would cease to exist once it was absorbed by the city. J. Wallace stated that he was in favor of combining the DDA and DMN but would like to include more personnel from the DMN board in the revamped DDA. F. Peterson stated that he thought the state allowed up to 13 DDA board members, which could allow the city to add two people to the board. He pointed out that several downtown agencies already had members on both boards. D. Alexander mentioned the possibility of having subcommittees of the DDA for issues such as events and marketing. J. Riegler stated that DMN had representatives from the Convention & Visitor's Bureau and the Community Foundation on their board, and suggested that representatives from those agencies could serve in an advisory capacity. L. Spataro stated that it was possible to have people serve in an ad hoc basis. L. Spataro confirmed that board members concurred with the model that F. Peterson discussed at the previous meeting: The DDA would hold regularly scheduled monthly meetings; staff would provide regular project updates; the DDA would take on the Farmer's Market and the chalets, and the DDA would absorb the responsibilities of DMN, with that agency ceasing to exist. Discussion continued on those issues. L. Spataro suggested that a Memorandum of Understanding or a contract outlining expectations be drafted between the City and the DDA. D. Alexander stated that the DMN board would want to know if the DDA was interested

in taking on the soft items like events and marketing. The DMN Chairman had invited F. Peterson to their next meeting for further discussion.

Board members agreed that they would hold regular monthly meetings on the second Tuesday of the month at 10:30 AM. D. Kalisz asked about the next step in the parking structure issue. F. Peterson stated that it would remain in a holding pattern for now. The main priority of the DDA at this time was the merger or acquisition of DMN.

OLD BUSINESS

None

OTHER

None

There being no further business, the meeting was adjourned at 12:06 PM.